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ABSTRACT

Experiences of the 1970s and prospects for the 1980s of colleges that had undergone enrollment decline and/or financial cutbacks were surveyed, based on visits to 20 colleges and universities in 11 states in the Northeast, Midwest, and South. Some of the strategies to resist and overcome decline have potential for success in a wide range of institutions, and the following approaches are generally low-cost and easily implemented: retention programs that deal with marginal students through special counseling and remedial programs and those that deal with students who may be dropping out for other than academic reasons; improving student life and campus climate; tightening standards and attracting bright students; and attracting new sources of revenue. While the decade of the 1970s was predominantly one of resistance to enrollment decline, institutional leaders in the future increasingly will need to seek ways to adapt their organizational structures to a smaller scale of operations. Adapting successfully calls for careful planning in anticipation of decline, defining institutional mission, developing cost studies, and monitoring tenure levels. A sophisticated array of planning tools is needed to adapt successfully to decline: they must be applied to a process of internal reallocation of resources or contraction in absolute size and scope. A commitment and consensus from the faculty is important in initiating major reallocations or cutbacks. Reassessment efforts also involve developing review criteria. Adjusting to a smaller scale of operations involves adjusting staffing practices, consolidating administrative structure, eliminating academic programs, and limiting course offerings of existing programs. The responses of specific colleges and universities are briefly described. (SW)

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Colleges Respond to Decline: Resistance versus Adaptation

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During the past two years, SREB has been conducting a broad-based research project concerned with no-growth in higher education. Supported in part by the Ford Foundation, the project has examined the institutional management problems facing colleges and universities and the public policy issues confronting the states as the result of enrollment decline and financial cutbacks. The following discussion is adapted from a chapter in a forthcoming SREB/Jossey-Bass book on consolidation and retrenchment in higher education.

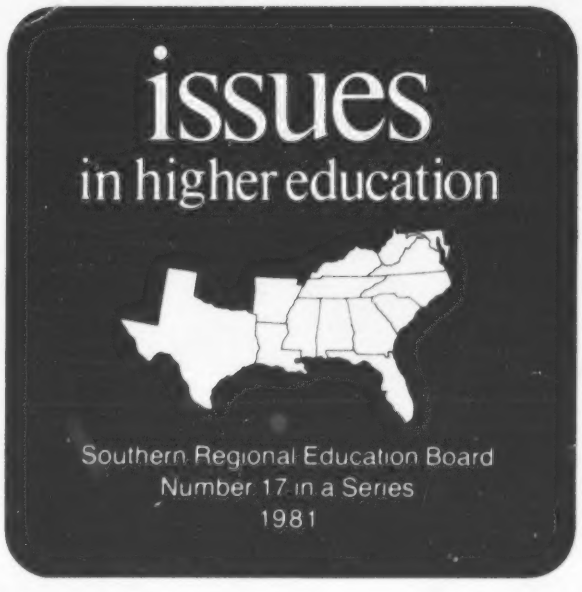
The higher education community faces the prospect of significant cutbacks in the next 20 years. Whether that contraction is the result of declines in enrollment or in governmental support, there is ample experience upon which to draw. Despite continued growth in total enrollment during the 1970s, the Carnegie Council on Policy Studies reported in 1980 that 29 percent of all postsecondary institutions experienced enrollment declines from 1970 to 1978. In the private sector this has been severe enough to result in the closing of about 100 institutions during the decade. An even larger number of colleges and universities have experienced the imbalances which accompany enrollment shifts among programs, as students have sought out occupational fields and shunned the liberal arts. Regarding financial support, it was a decade of ups and downs, as state revenues fluctuated with the economy and tuition increases failed to keep pace with inflation. Highly dependent on the flow of state revenues, many public institutions had their first encounters with retrenchment when revenue shortfalls and midyear cutbacks followed the recession of 1974-75, the less severe downturn of 1979-80, and the recent tax-cutting initiatives in some states.

The experiences of the 1970s and the prospects for the 1980s led the Southern Regional Education Board (SREB) to examine more closely the responses of colleges which had already undergone enrollment decline and/or financial cutbacks. SREB staff and consultants visited a total of 20 institutions in 11 states in the Northeast, Midwest, and South — public and private institutions, small and large. These included institutions in states such as New York and Wisconsin, where past experience with decline was fairly widespread, and in states such as Texas, North Carolina, and Georgia, where decline had been more selective. In the public sector, the SREB team was led more often than not to medium-sized, nonurban state colleges and universities which had been especially affected by the increased competition for students and by changes in program interest in the 1970s. The team's case studies illustrate a number of substantial and creative approaches to the management of decline, refuting the folk wisdom that threatened institutions universally have been unwilling or unable to deal with adverse conditions.

Causes of Decline

Before addressing institutional responses to decline, it is important to understand the causes for diminished enrollment and resources. The natural institutional reaction is to resist impending declines, and not without reason. Many of the causes of decline — even demographic ones — can be manipulated in varying degree to the institutions' advantage. Discussion of diminishing enrollment has concentrated on the declining college-age population, but demographic patterns vary substantially from state to state — and even within states. Other conditions also can have great impact on institutional enrollment and resources. Competition from other institutions, changes in state and federal policy, and institutionally specific factors, such as public reputation and the mix of academic programs, have often exerted negative or positive pressures.

Impact of Public Policy Changes. The level of enrollment depends to a great extent on the support and incentives



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provided by local, state, and federal government. This was clearly the case in the 1960s, when public policy had a significant positive impact on the participation rates of blacks and other minorities as the result of federal financial aid initiatives. But policy can just as easily have a negative impact on enrollment. Draft-induced enrollments, for example, declined following the end of the Vietnam War. Enrollments also have declined as a result of cutbacks in state support. Policy can have a redistributive effect as well. As white colleges were opened to blacks in the 1970s, enrollment growth in black colleges began to slow.

Internal Factors. Despite these external influences, the SREB study found that in many cases the management decisions which shaped an institution's academic, physical, and social climate were the key factors leading to success or failure in attracting students and in responding to external conditions.

In the "regional" state colleges and universities that were studied, the academic program mix was found to be critical. Those institutions which had been successful in diversifying their offerings beyond teacher education and the liberal arts had often recovered from the decline of student interest in these two areas. Some institutions, on the other hand, were suffering from negative reactions to misdirected curriculum innovations: interdisciplinary programs which eventually failed to appeal to students; academic schedules which broke up the traditional semester or quarter term and caused confusion among prospective students; new programs, such as law enforcement, which provided a sudden increase of enrollment from a target group of students and then an equally rapid reduction when the market was saturated.

Beyond academic program mix, the public perception of an institution's reputation plays an important role and, in several cases, administrators reported that changes in this perception, whether accurate or not, had caused enrollment declines. Negative reaction to reports of heavy drug activity or campus violence, for instance, lingered on long after the initial coverage in the media.

While many of these factors probably had some impact on enrollments of new students, the social and academic climate on campus affected the retention rates of students already enrolled. A "spiral of decline" was observed in some cases where decline fed upon itself. A state revenue crisis or a drop in freshman class enrollments led to expenditure cuts resulting in physical deterioration of a campus, cuts in counseling and in student services, personnel cuts, and sagging morale among faculty who remained. This in turn, affected the attitudes of students, as they witnessed the dissension and deterioration of services which accompanied retrenchment. The results were declines in retention rates and another round of retrenchment.

Resisting Decline

Of the institutions studied, few were confronted with a simple enrollment and/or fiscal decline caused by a single, clearly identifiable factor. In most cases, an interplay of external and internal forces caused the spiral of decline. While demographic forces were largely beyond institutional control, many institutions responded slowly to those factors which they could manipulate and influence. Often institutions did not act until the problems were so abundantly clear that precious opportunities had been lost to ameliorate the problems by early, decisive action.

Most institutions have developed mixed strategies for dealing with enrollment decline, with elements both of *resistance* and of *adaptation*. Institutions clearly prefer measures to resist decline (such as seeking new students and new sources of revenue) before they pursue ways to adapt to a smaller scale of operations (for example, cutting programs and faculty). While the satisfactions for institutional leaders are greater in strategies which seek growth, so are the risks. Colleges often require a long lead time to develop consensus over a need to retrench. Presidents may wait too long or feel that only a crisis situation will allow them to cut expenditures. Even if the inevitability of retrenchment is accepted, however, institutions may continue to employ strategies to increase their enrollments within reasonable limits.

Some of the strategies to resist and overcome decline have potential for success in a wide range of institutions. Unlike approaches that call for extensive new program development, however, those discussed below offer the advantage of generally being low-cost and easily implemented.

Retention. In institutions experiencing enrollment decline, retention may be the *key* issue in enrollment planning, not just as a way of increasing enrollment but as a necessary means of dealing with greater numbers of low-ability students on many campuses. Many institutions in the SREB study were making at least modest efforts to deal with retention of marginal students through special counseling and remedial programs. Not finding the necessary teaching skills among its own faculty, one institution had turned to the employment of local high school teachers. Despite pressing needs in many of the four-year public institutions, remedial programs suffered from poor support from the state. As Lyman Glenny recently noted, states have failed to designate remediation as a major role of specified institutions and to provide the commensurate support. The result is a dilution of effort and "failure an almost foregone conclusion in the vast majority of cases."

When retention programs deal with students who may be dropping out for other than academic reasons, they are generally more successful. Western Carolina University is an example of an institution which, when faced with high attrition of freshmen who were eligible to return, undertook a detailed analysis of retention (see Figure 1) and used the findings to implement several changes in institutional practices. Emphasizing that retention efforts would be aimed at academically able students greatly increased the legitimacy of the effort with faculty. What distinguished the Western Carolina program from other efforts was its comprehensive involvement of the entire institution. Findings were submitted to a university-wide retention committee, composed of support staff, senior administrators, and faculty, which made recommendations for changes in institutional practice. When the institution found, for example, that attrition was highest among freshmen who were undecided about their academic programs, it devised a career-planning effort with

Figure 1

Western Carolina University's Retention Analysis

substantial faculty involvement to work with these students. The admissions office began more aggressive recruitment of prospective students from the western part of the state, who tended to adapt better to the relatively isolated mountain location of the campus, and re-examined recruitment efforts in areas where attrition in the freshman year was high.

Improving Student Life and Campus Climate. It takes no special insight to know that the best recruiters (and the cheapest) are enrolled students. As with a good movie, word-of-mouth news spreads rapidly as students return to their hometowns either to praise or to damn the food service, social life, or faculty. Yet, student services and student life are often the first casualties in a retrenchment climate. The major thrust of several successful strategies to combat decline emphasized the quality of student life. For instance, West Texas State University responded to complaints about its food service and dormitory life by involving students in setting policies and by turning over the management of the food service to a private firm. Winthrop College in South Carolina placed great emphasis on a strong campuswide intramural sports program and on a general strengthening of its student affairs activities.

Tightening Standards and Attracting Bright Students. Some of the institutions visited were gradually raising their admissions and retention standards, which they believed would enhance their reputations and attractiveness to prospective students. Others were especially interested in creating scholarship and honors programs to attract bright students to their campuses. The College of Charleston (South Carolina) has initiated an honors program with rigorous curriculum requirements and special seminars. Programs to attract bright students are not a "quick fix" for enrollment problems, however, and, if overemphasized, can often conflict with an institution's goal to attract a broader constituency. Once attracted, bright students must be challenged or they will depart dissatisfied, and the word will travel back to high school guidance counselors.

Attracting New Sources of Revenue. College presidents have always been on the lookout for new sources of revenue, but with decline their vision has sharpened. It was surprising to find the high degree of interest among the smaller public colleges and universities in raising private support from local areas. Some of these efforts were hampered by a lack of organization and of an effective strategy for approaching potential benefactors. One successful effort was at West Texas State, which had undertaken an aggressive campaign for private support to be used for student scholarships and to provide tuition waivers for faculty dependents. The most effective example of fund-raising in independent colleges was at Queens College in Charlotte, North Carolina. This small, women's college had experienced significant enrollment decline and faculty retrenchment in the 1970s and had long suffered financially from its image as an elite "girls school" which did not warrant the support of the growing corporate community of Charlotte. Without abandoning its primary mission as a liberal arts college for women, the institution, engaging in some imaginative risk-taking, implemented a small, selective, coeducational graduate program in business (which enlisted some of the community's captains of industry as adjunct professors) and an aggressive continuing education program. The results have been an enrollment resurgence in the institution's liberal arts college, popularity of its new programs beyond expectation, and significant broadening of its financial base through increased alumni and corporate giving.

Adapting to Decline

While the decade of the 1970s was predominantly one of resistance to enrollment decline, institutional leaders in the future increasingly will need to seek ways to adapt their organizational structures to a smaller scale of operations. Adaptation does not mean resignation, however. Adapting successfully calls for more than mere cutting of expenditures in the face of revenue shortfalls; it also calls for careful planning in anticipation of decline, so that both the timing and the nature of contraction can be controlled.

Using Planning Tools. The SREB study set out to find cases where adaptation to decline was taking place in a planned and rational manner. The most successful responses to decline have been those which anticipated changes in student characteristics, program interests, and level of enrollment through the development of extensive enrollment planning information. In several institutions enrollment planning has been linked directly to contraction strategies. For instance, the State University of New York College at Plattsburgh used enrollment projections for each of its programs to establish a long-term reallocation schedule and enrollment caps for some programs. At Goucher College in Maryland, state-by-state projections of high school graduates and careful analysis of future market shares were the starting point of a comprehensive strategy for dealing with decline.

At the state level, the system offices and coordinating boards with the most well-developed enrollment projections also have been those with the most advanced contingency plans for contraction. Analytic packages developed by state agencies have provided comprehensive, detailed information and analysis on all institutions in the state. The process through which state agencies and institutions have discussed trends and conditions, modified projections, and discussed ways of assisting institutions in coping with the likely future has been a significant consciousness-raising activity.

Defining Institutional Mission. While enrollment planning may pinpoint the time, degree, and type of impact which can be expected, it offers few clues to how an institution should actually respond. For this, institutions must turn to a closer analysis of their own institutional goals and priorities. Unfortunately, the all-embracing, gauzy missions statements of the past have offered little assistance to institutions grappling with a diminished future. Thus a sincere and direct assessment of the university's mission is a key ingredient in planning for decline.

One way in which institutions have "discovered" their missions is through a more systematic evaluation of the quality, costs, and importance of their institutional activities. Program review is not a new activity in higher education; it is just a more rational and analytic process than the one which served the institutions in the growth years. It can be conducted in many ways, using either external or internal evaluators, and sometimes has been criticized as an expensive, lengthy process with few tangible returns. One of the problems with external program evaluation is that it often focuses on issues of quality rather than on the "centrality" of the program to the institution's mission, which is a determination that often can be made only by faculty and administrators from the institution itself.

Developing Cost Studies. Determination of resource adequacy is an important planning tool in adapting to decline. Measures of student-faculty ratios, support-dollars per credit hour produced, and similar indicators are being widely used by institutions to identify programs which are overfunded. Comparisons are made in two ways — between different academic programs at the same institution and between progams in a particular discipline at different institutions.

The SREB study found that data for interinstitutional comparisons were being shared in formal data exchange

arrangements among groups of institutions which had defined themselves as "peers," or through state and regional analyses where individuals outside the institutions had grouped institutions for comparison. Combined with nonquantitative considerations, these comparisons were highly useful in identifying areas in which shifts in enrollment had led to resource imbalances.

Monitoring Tenure Levels. Because the strategies which effectively cope with shrinking enrollment can involve personnel cuts, much of the planning activity observed in the SREB study was directed at gaining more detailed information on the composition of the work force in college and on the impact which changes in personnel policies would have on the institutions' future ability to respond. Analysis and monitoring of tenure density were key ingredients in those institutions which were preparing for substantial cuts in faculty over the coming years. These activities are absolutely essential for institutions needing to cut back, and for those attempting to find out where their flexibility lies, even if decline is not imminent.

Reassessing Priorities

Institutions of higher education need more than a sophisticated array of planning tools to adapt successfully to decline. They must apply those planning tools to a process which can fund new growth through an internal reallocation of resources and/or provide a way of contraction in absolute size and scope. Reallocation has long been used by institutions, implicitly or explicitly, to maintain balance between resources and demands on academic programs. Faculty positions are normally the unit of exchange and the annual budget process is the vehicle. Some institutions focus on the need to earmark funds for new program development and have set up pools of funds for which departments compete with new program ideas.

While reallocation procedures controlled by central administrations have worked well in institutions experiencing moderate cost-revenue pressures, severe declines have called for more comprehensive approaches, with wider participation. The colleges among the SREB cases which had concluded that "something drastic had to be done" reached that conclusion in a variety of ways. For some, the signals were clear and unavoidable: cash flow crises following years of deficit spending in private institutions and mandated cuts from state budget offices in public colleges required some institutions to undertake swift and decisive action. In institutions where the impact of decline was less apparent, reassessment efforts were often aided by external stimuli. At the University of Wisconsin, campuses had been alerted by careful planning accomplished at the system level; the system was pressured by the governor and legislature. Private college presidents often received valuable support as well as prodding from active board members. Still other institutions were inspired to action by the arrival of new presidents — outsiders who brought fresh perspectives and a sense of urgency.

Educating the Faculty. One of the major stumbling blocks in initiating major reallocations or cutbacks has been failure to develop commitment and consensus from faculty. In many public institutions, administrators were not even attempting such efforts. This was especially true in states where state agencies (whether system offices or executive branch budget offices) held tight fiduciary control over the campuses. In more decentralized public systems and in private colleges with a tradition of faculty governance, "educating" the faculty was an important role of the president and the dean.

One fascinating example of how this education process can take place was found in a public college. When discussion of impending layoffs in the mid-1970s was greeted with skepticism and surprise by the faculty of the University of Wisconsin-Platteville, administrators concluded that in the future the analysis which led to retrenchment decisions should be done in the open and that the circumstances facing the college in the years ahead should be widely known. The result was the "Platt Map," a public display of information on characteristics, performance, and costs of each of the institution's 18 departments and 5 colleges. Faculty committees hold their meetings in the "war room" containing the "Platt Map." Departmental comparisons are always readily apparent; so too are graphs of enrollment projections whose downward slope faces each committee chairman as he or she offers judgments about budget priorities, tenure decisions, and program changes.

The process of reassessment must involve faculty. At Platteville, an academic planning council is charged with the responsibility of an annual review of each department. At Vanderbilt, two parallel reassessment panels were formed in 1979 — one composed of faculty, the other of administrators. Both panels were asked to formulate recommendations on ways to fund new programs and make quality improvements from the existing budget.

Goucher College provides a good example of an institution whose administration and faculty have worked closely together to handle the problem of personnel cutbacks and program redirection. Following years of deficit spending, this small, selective women's college in suburban Baltimore underwent a significant retrenchment in the mid-1970s, resulting in the dismissal of tenured faculty. These cuts, coupled with energy-related savings, a new investment policy, and a reorganized admissions operation, had eliminated the annual deficit of the college by 1980. Yet the administration remained pessimistic about the institution's ability to maintain its market share of enrollments in the face of projections of significant decline in the numbers of high school graduates from Goucher's traditional drawing areas. The president noted in a report to the board and the faculty that, without major academic changes within the next five years, Goucher would face the depletion of its expendable endowment — a circumstance which would probably result in closing the college. The administration put forth a set of alternatives and appointed an academic planning committee to make an independent assessment of the situation. The faculty committee concurred with the administration and advised it to proceed with faculty retrenchment without regard to tenure, but only to the degree necessary for funding new programs in computer science and management. Rather than designating faculty to be terminated, the committee

devised a formula which was used as a guideline in retrenchment. While there was bitter faculty opposition from some quarters, the faculty governing body as a whole approved the proposed new programs, and declined to take a stand on the question of rehiring the terminated faculty.

The Goucher case is unique, since these actions (dismissal of tenured faculty being the most serious) were taken not in response to an immediate crisis but because of projections of what the future of the college would be without significant change.

Developing Review Criteria. Reassessment efforts eventually must deal with the criteria by which cuts will be made. This, of course, is a great stumbling block for all faculty, who, while accustomed to making judgments, are unaccustomed to making choices which mean continued employment and prosperity for some of their colleagues and job loss for others. Even when faculty terminations are not involved, it is difficult for faculty to accept the idea that without outside sources of funding, *new* programs and qualitative improvements should be introduced at the expense of other programs. Further, in many institutions it is not a matter of cutting low-quality, marginal programs but programs which are viewed as laudable and needed but too expensive to maintain.

The reassessment committee at Vanderbilt developed seven criteria as a general guideline in evaluating academic programs (see box). With the Vanderbilt approach, program judgments do not depend on a single factor; rather, a composite picture emerges which allows the establishment of priorities. The first round of reassessment reallocated $1.5 million from administrative services and from athletic tuition subsidies to improvements primarily in faculty salaries and in the library. At the same time, the reassessment committee, which had had difficulty making precise qualitative judgments about the institution's many academic programs, suggested several which should be studied in the next round of reassessment for possible expansion or contraction.

A similar round of reassessment activities at Southern Methodist University used the same generic types of measures as Vanderbilt did. Generally, the reassessment processes in private institutions have been more comprehensive, have embraced program discontinuance more quickly, and have been bolder in thrust than has been the case in the public sector. A key difference is that, while many of the public institutions may have experienced some enrollment decline, they have often been protected from precipitous revenue declines.

Vanderbilt's Criteria for Evaluating Programs

1. **Essentiality of the Program to a University** [Required — Not Required]
   How central is this program to the "generic" ideal of a university? How essential is it to this particular institution?
2. **Quality of the Program** [Excellent — Strong — Adequate — Weak]
   The program is to be judged in terms of its "potential quality over the next several years" in reference to national standards. An excellent program would be one with the potential level which "would be matched by few institutions."
3. **Need for the Program** [High — Medium — Low]
   Intended to be normative, this criterion calls for the university's "own view of society's educational needs without regard for whether the members of society see them in exactly the same way."
4. **Demand for the Program** [High — Medium — Low]
   Demand for the program is measured in three ways: by enrollment of majors in the program, by enrollment of other students, and by demand for the program's graduates in the employment market.
5. **Locational Advantage** [Yes — No]
   Are there clearly demonstrable advantages of the program's specific location at Vanderbilt? Geographic advantages? Demographic? Cultural? Other?
6. **Cost-Revenue Relationships** [Favorable — Unfavorable]
   Data on student-faculty ratios, cost per credit hour, prospects for external funding, and other measures are used to assess the program's status as a financial asset or liability.
7. **Cost Implications of Maintaining or Changing Program Role** [High — Medium — Low]
   How much are the increases (or decreases) in cost required to bring the program to a desired level of fulfillment?

Cutback Decisions

After all of the planning tools and reassessment processes were applied, institutions reached the decision point. Those who chose the route of adapting to a smaller scale of operations faced the problem of adjusting personnel costs to match revenue. This was usually carried out in a combination of ways: adjusting staffing practices, consolidating administrative structure, eliminating academic programs, and limiting course offerings of existing programs.

Adjusting Staffing Practices. While the courts have upheld the right of colleges to terminate contracts on the basis of financial exigency, it is understandable that colleges will wish to avoid both the trauma and the costs of such action. Adjusting staffing practices is the primary solution available to institutions. Many institutions have increased their use of part-time lecturers and faculty with short-term contracts, as a means both of reducing costs and of increasing institutional flexibility in the face of possible retrenchment. For instance, public institutions in Wisconsin employ some full-time faculty on fixed-term appointment, who are considered expendable in case of a decline. Since these people perform all the functions of tenure-track faculty, it is questionable, however, whether terminating these faculty would be any less traumatic than terminating tenure-track faculty.

Another way of increasing flexibility is by assigning faculty to teach courses outside their own departments. The

most prominent example was found at the University of Wisconsin-Oshkosh. In this case the faculty selected for partial reassignment were senior members of departments, not junior faculty still struggling for tenure and permanent departmental affiliation. Moreover, the faculty were reassigned for no more than 50 percent of their total duties. Whether this sort of approach could be as effective in other institutional settings, or in institutions with a heavy graduate program, remains to be seen. Some view such practices as clear signals of stress which can result in a decline in quality as faculty move outside their own areas of expertise.

Consolidating the Administrative Structure. This solution was chosen by several public institutions whose administrative structures had grown large and expensive. (Generally, the private colleges were already operating with lean administrative structure.) This response has certain advantages: administrators hold short-term contracts and cutbacks can be made quickly, especially by a new president, who may be able to consolidate upon arriving. A new president at West Texas State University, inheriting a situation where retrenchment had led to low faculty morale, eliminated three vice-presidencies and required each academic dean to teach one course per term (the latter move probably would receive opposition in a union environment). Within two years of arrival at the State University of New York-Plattsburgh, a new president had consolidated the central administration and reorganized the faculties of the college, decreasing them from five to two, which eliminated several senior administrative positions. Interestingly, in both of these institutions the study revealed a tightly integrated management team whose members welcomed the added responsibility.

Eliminating Academic Programs. Eliminating academic programs can be a means of concentrating faculty cutbacks, but there has been some disenchantment at the state level with regard to program termination. Several states have become suspicious of the activity as a cost-cutting device, after extensive program reviews eliminated countless "paper" programs which involved no personnel cuts. When program cuts involve all degree levels in an institution and those program cuts correspond to departmental structure, cost savings result. At Southern Methodist University in 1979, the institution discontinued a number of academic programs involving 5 tenured and 15 nontenured faculty. Some of these programs were viewed as high quality but peripheral to SMU's core mission.

Limiting Course Offerings of Existing Programs. Liberal arts colleges and small universities which have difficulty cutting back their limited program offerings extensively or repeatedly may find a solution in limiting the course offerings of these programs. The first round of retrenchment at Goucher College eliminated the Classics Department and major programs in some foreign languages (they remained as service courses); but by the second round, the faculty believed that the essential core should be protected. The college complied by eliminating elective courses (and the faculty who taught them), leaving existing majors intact.

Whether institutions choose to eliminate courses or programs, reductions in the faculty work force will be involved. The extent to which attrition is a viable tool for cutback in the long term or the short term depends on the campus setting and on certain characteristics of the faculty. Many of the faculties studied, especially at the regional state colleges, were relatively middle-aged and were highly tenured, which did not promise much attrition through retirement. And as the academic market for faculty may decline even more dramatically in the coming years than in the recent decade, the possibility of attrition through turnover may also diminish. The extent to which attrition can be used largely depends upon the success of the various reallocation and reassignment measures which enable an institution to trim its operation while still meeting its academic commitments.

Keys to Successful Responses

Higher education stands in various stages of readiness for the impending enrollment decline of the 1980s. For some, the experience of the past 10 years has been warning enough to cause preparation of contingency plans which include reduction in size and scope. Others, sincerely believing that any retreat from growth is a sign of weakness, seek institutional exemption from the general decline solely through a strategy of aggressive expansion.

Unfortunately, many institutions continue to take their stands on the basis of poor information. An absolutely essential element in planning in the context of a general decline is substantial information on the size and composition of future enrollment. This information can provide a road map for an institution to identify its major resource difficulties and a way of mobilizing the necessary internal support for making significant changes of direction. Institutions where such data were available and appropriately distilled and communicated had more fully developed contingency plans than institutions where the data were unavailable, poorly presented, or tightly held by administration. Institutions in a growth mode tend to speak of this type of planning as "marketing," while those cutting back call it "enrollment planning." Both involve the same family of activities: the analysis of the characteristics, orientation, and geographic location of the students the college has attracted in the past and can expect to attract in the future, and a realistic assessment of the susceptibility of enrollment to institutional policies. When that analysis is extended to students already enrolled and when student characteristics are related to measures of "success and failure," the institution has achieved a comprehensive retention program upon which to base changes in institutional practices.

In addition to enrollment planning, institutions must carefully evaluate their programs and activities in light of carefully defined institutional goals. Add a process of reassessment which involves significant faculty participation, and the institution has a mechanism for setting priorities and reaching retrenchment decisions. Faculty involvement in this reassessment process is of critical importance. While termination decisions on specific personnel are the responsibility of administration, only faculty governance

and advisory bodies can give adequate academic direction to these decisions.

The range of cutback strategies developed by institutions which have undergone decline in the 1970s is impressive, as is the degree of reduction which has been attained without apparent impacts on quality and access. None of the institutions in the SREB study, however, had found solutions to the problem of low faculty turnover which prevents the hiring of new teachers and scholars with fresh perspectives. On the other hand, action rather than inaction in many cases had instilled new vigor — at least among the survivors. But these generalizations are limited to a group of institutions which are not threatened with immediate disaster. Based on the case studies, the SREB study team offers the following observations:

- First, it is apparent that no single strategy should be relied upon for the entire spending reduction which is needed. A combination of cutbacks in course offerings, program terminations, staffing adjustments, and administrative consolidation should be considered. The cumulative effect of the savings from each strategy can be substantial.
- Second, precious time can be lost debating the likelihood of decline. The best advice may be to plan for the worst and hope for the best. Early action is needed to mobilize support. Institutions which waste away the last gasp of growth will be worse off than those which use that time of growth to prepare for decline.
- Third, when embarking on reassessment and cutback strategies, boldness is essential. Incrementalism is fine under conditions of growth but may not suffice under decline. Among the cases studied, it was found that the most successful retrenchments cut deeply enough to meet immediate and projected shortfalls and also to mount new programs or enhance existing ones. It is this second order of cuts which can be the positive side of retrenchment.
- Finally, strong leadership in carrying out the various strategies is undoubtedly an element in a successful response to decline.

The most effective examples of leadership in the SREB study were presidents who were willing to educate, cajole, and inspire their faculties and staffs to face up to the task of making difficult choices. Striking a balance between the unacceptable poles of unilateral decision making and indecision by committee, these presidents and their academic deans carefully laid out the prospects of their colleges to faculty and worked cooperatively to formulate plans to confront the challenges of decline. In this way, these leaders often captured a wellspring of creative energy in faculty and staffs, even among those who were personally threatened. As it turns out, uncertainty and inaction are even more disheartening than retrenchment.

This edition of *Issues in Higher Education* was prepared by James R. Mingle, SREB research associate, and Donald M. Norris, director, institutional studies, the University of Houston.

Further Reading . . .

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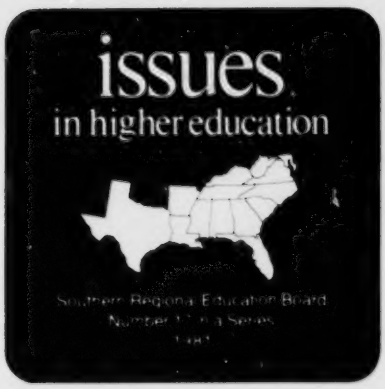

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